

## EXHIBIT 58



January 4, 1999

Dear Adams Retailer,

All of us at Adams Golf would like to thank you, our retail partners, for making 1998 a great year. Without you it couldn't have happened and we know it.

During this past year, Tight Lics® fairway woods rocketed to the position of #1 selling fairway wood in golf (as substantiated by GMRI), and continued to establish itself as a breakthrough product. The reason for our success was recently reconfirmed when Tight Lics® was found to be the hands down winner in a certified, independent consumer test (see attachment for validation of these claims). We won the test decisively and the reason is technical; our design produces a low center of gravity and a greater Effective Hitting Area (EHA). It's simply easier to hit!

We at Adams Golf are proud of last year's overall performance; however, we also can't help but be a little dissatisfied. Why?

1. We failed to defend our market position strongly enough. We didn't respond to misleading advertising from both legitimate competitors and knockoffs.
2. We were slow to react when unauthorized resellers, such as Costco, hurt retail margins.

Our plans for 1999 are aggressive and are aimed at addressing the above issues. First of all, to drive sell through, we are developing a much stronger performance message and are funding a national advertising program aimed at a 300% increase in consumer reach. Secondly, effective with this letter, we are introducing dramatic new sales policies and programs designed to enhance and protect your margins. One facet of these changes is the establishment of new suggested retail and minimum advertised pricing levels of \$199.95 and \$149.95, respectively (see attached for full specifics). Lastly, at Orlando, we will announce a new driver featuring the most advanced technology in golf, as well as a previously-unannounced Nick Faldo personal-design wedge series. These wedges tested so well that we just had to introduce them immediately!

The moves outlined above are clearly aggressive, especially considering the strength of the Tight Lics® brand. However, we are in business for the long haul and this means market share and strong retailer relationships. We are unconditionally committed to these objectives and look forward to meeting with you at the Orlando show to finalize our 1999 plans together.

Best wishes for a healthy, happy and prosperous 1999.

Sincerely,

Barney Adams

A handwritten signature of Barney Adams.  
Barney Adams  
President and CEO

Chip Brewer

A handwritten signature of Chip Brewer.  
Chip Brewer  
Senior Vice President,  
Sales and Marketing

ADAMS 009348

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EXHIBIT

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A handwritten signature of Brewer.  
PENSA/600-631-4888



Revised 1/8/99

***Tight Lies® Retail Partner  
Unconditional Floor Stock  
“Net Down” Program***

**Net Down Program**

In conjunction with the changes in Adams Golf's sales policies and programs effective January 4, 1999, Adams Golf will unconditionally "net down" the cost of qualifying retailer inventories as follows:

- Customers will accrue a \$25 "net down" credit for each new Tight Lies fairway wood currently in inventory, as verified by Adams Golf.
- To qualify, customers must be in good standing with Adams Golf (including but not limited to: current on all payments, continuing business relationship, and product merchandising consistent with Adams Golf Sales Policy). Customer must request inventory credit and arrange for verification of inventory level prior to March 1, 1999.
- Unconditional credit may be applied to orders of the following existing products:
  - Tight Lies® fairway woods (graphite or steel)
  - Nick Faldo Series wedges
  - Adams Golf bags

\*For purposes of this net down program only, we are offering special wholesale pricing as follows:

Tight Lies® fairway woods (graphite) - \$100  
Tight Lies® fairway woods (steel) - \$80  
Nick Faldo Series wedges (steel) - \$60  
Nick Faldo Series wedges (graphite) - \$75  
Adams Custom Stand Bags - \$80  
Adams 11" Tour Bags - \$185  
Adams 9.5" Staff Bags - \$155

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